

July 30, 1965

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CONGRESSIONAL RECORD — SENATE

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subcommittee recessed until such time as Mr. McNamara could come before the subcommittee and gave us more information.

In his press conference on Wednesday, the President stated that Congress will be asked to provide additional funds to meet the increase in costs of combat operations in Vietnam. I have asked Secretary McNamara to present a definite request as to amount, and to develop and present to us definite and factual information with respect to the added funding which will be required. It is expected that the formal request will be submitted to Congress the first of next week.

I believe that such additional funds should be included in the Department of Defense appropriation bill now pending before the subcommittee, rather than wait for all the needed funds to be included in a supplemental request which may be presented and acted upon at the next session of Congress.

Secretary McNamara will appear before the Department of Defense Appropriations Subcommittee next Wednesday morning at 10 o'clock. His testimony will cover major aspects of the pending bill, as well as added funds for Vietnam. Inasmuch as the request for additional funds will include the procurement of items and the construction of projects for which authorization is ordinarily required, I have invited the full membership of the Senate Armed Services Committee to attend and participate in the hearings.

I thank the Senator from Oklahoma very much for his courtesy in yielding to me.

Je. On Harris
CRISIS IN VIETNAM

Mr. HARRIS. Mr. President, the President's statement this week on Vietnam will help us all, I hope, focus our minds on the hard realities of things as they are, not as we would wish them to be.

We are dramatically reminded that short of nuclear war, on the one hand, and dishonorable withdrawal on the other, is another way, which, like most right courses, is a narrow and rugged path.

President Eisenhower decided in October 1954, "to assist the Government of Vietnam in developing and maintaining a strong, viable state capable of resisting attempted subversion or aggression through military means." Since then top officials in three U.S. administrations have constantly examined and re-examined the alternatives open to this country in southeast Asia. Each re-examination has confirmed the basic necessity of the commitment we made 10 years ago, a commitment based on the conviction that the vital interests of the free world and our own country could be broadly affected by the course of events in southeast Asia.

That part of the world has great strategic significance in the forward defense of the United States. Its location across east-west air and sea lanes flanks the Indian subcontinent on the one hand, and Australia, New Zealand, and the Philippines on the other. It dominates

the gateway between the Pacific and Indian Oceans. In Communist possession, this area would present a serious threat to the security of the United States and to the entire non-Communist world.

Also, South Vietnam is a test case for the Communist strategy that was spelled out by Khrushchev in 1961, when, in a major elaboration of Communist doctrine, he dedicated communism to the provoking and encouragement of "wars of liberation" and specifically referred to Vietnam as one such war. "It is a sacred war," he said. "We recognize such wars." The West cannot let communism succeed with this masquerade of aggressive expansionism.

Finally, and most to the point, South Vietnam, a member of the free world family, is struggling to preserve its independence from Communist attack. The Vietnamese have asked for our help. We are giving it. We do so in their interest, and we do so in our own clear self-interest.

Our goal there is simple and forthright. The United States has no designs whatever on resources or territory in that part of the world. Our national interest does not require that South Vietnam or Thailand or Laos or any other country of southeast Asia serve as a western base or a member of the western alliance.

Our ultimate goal in southeast Asia, as in the rest of the world, is to maintain free and viable nations which can develop politically, economically and socially, and which can be responsible members of the world community.

We could, of course, abandon Asians to a Communist future by pulling out of South Vietnam and vacating our commitment to freedom. To do so, as President Eisenhower stated in 1959, would almost certainly "set in motion a crumbling process that could, as it progressed, have grave consequences for us and for freedom * * *. The remaining countries in southeast Asia would be menaced by a great flanking movement." As this happened, the sphere of the free world would begin to shrink. We would simply postpone, perhaps for a very brief time, the multiplication by the thousands—and perhaps by the millions—of the casualties that would result from our giving away in the struggle for southeast Asia.

The alternative followed by this administration—and its predecessors—is to draw on our rich resources, our dedication to freedom, the power of our prestige, and our military capabilities to help the people of South Vietnam win this war and to build a stable, independent society. This is not going to be easy or quick. But because the conditions are difficult and the processes agonizingly slow is no reason to abandon our carefully chosen course, and choose instead the dishonor and possible disaster of surrender.

We are a big and great country, and today we shoulder the burdens of leading the free world. Problems of war and peace, and the task of defending the course of freedom under adverse conditions perhaps far from home are an unshakeable part of that burden. Deep down inside, all of us Americans know

this to be true. We are not going to quit or to panic because the going is tough, the cost is high and the progress is slow. We are going to stick to our commitment, to use our power wisely and to save and extend freedom wherever and whenever we can. That is not merely the honorable course, it is the wise and necessary one for America.

So I support President Johnson in the course of action that he has outlined. I support him soberly, recognizing that the decisions that have been reached will mean personal sacrifice for many American families. The decision to enlarge draft calls was not taken lightly. It is the product of thorough, searching study, and a full and careful weighing of alternatives. For, as the President has stated over and over again, this is not a war that we seek. In Vietnam as elsewhere we prefer the paths of peace. We have come only with reluctance to the course of action now before us. We have done so only after exploring all valid alternatives and rejecting them as incompatible with our commitment and our interests.

Repeatedly we have sought by means, private and public, to achieve a solution short of larger war. Our readiness to move this confrontation into diplomatic and peaceful channels has been made clear over and over again. No significant interval has elapsed in the period since the Geneva Conference of 1961-62, at which the United States accepted in good faith an agreement for the neutralization of Laos—an agreement that the Communists violated from the start by failing to withdraw their combat military personnel—without a renewed effort by our Government to enter into discussions or in other ways seek new pathways to peace in southeast Asia.

The Communist record of diplomacy stands in sharp contrast to this. Rather than the quiet, behind-the-scenes discussion of difficult issues they call loudly for negotiations—but fail to arrive at the negotiations table. They promote the adoption of resolutions in international forums—but fail to respond to thoughtful initiatives that might contain the seeds of peace for southeast Asia.

Despite Communist intransigence we have continued to take and support actions that might lead to peaceful settlement of this war. Among the steps taken are these:

In the United Nations: In August 1964, we raised the Gulf of Tonkin events in the Security Council, and North Vietnam was invited to present its case. The Foreign Minister of Communist China in an August 13 letter to the Foreign Minister of North Vietnam emphatically stated that the United Nations had no right at all to consider this subject. North Vietnam responded to the President of the Security Council in a similar vein and added that any Security Council decision would be considered null and void by North Vietnam.

In April 1965, the Secretary General of the United Nations, U Thant, considered visiting Peiping and Hanoi to explore possible ways of ending the war in Vietnam. Communist China through the medium of the People's Daily commented on April 12 that U Thant was knocking at

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the wrong door and should spare himself the trouble since "the Vietnam question has nothing to do with the United Nations." The Prime Minister of North Vietnam, Pham Van Dong, in a statement on April 8 said that "any approach tending to secure United Nations intervention in the Vietnam situation is inappropriate."

Through the British: On February 20, 1965, the United Kingdom proposed to the Soviet Union that the British and Soviets undertake as Geneva cochairmen to explore the bases of a possible Vietnam settlement with all the Geneva Conference countries. The United States supported this approach. The Soviets were, however, not even prepared to cooperate in seeking the views of the parties concerned regarding the grounds for settlement.

The British then undertook to send former Foreign Minister Patrick Gordon Walker to visit interested countries and explore the bases for a Vietnam settlement. Walker visited South Vietnam, Cambodia, Laos, Thailand, and Burma in April. Peiping, however, informed the British Government in a formal note that it was not suitable for a special representative of the British Government to contact the Chinese Government on the problem of Vietnam and that he would not be welcome. Hanoi also declined to receive Walker.

More recently the Commonwealth Prime Ministers Conference sought to play a constructive role. We welcomed this initiative, which was to take the form of a five-man team of Commonwealth Prime Ministers led by British Prime Minister Harold Wilson. The mission was harshly refused even to receive the group. Subsequently a Labor Member of Parliament with personal ties to individuals in the North Vietnamese Government attempted on his own to keep this effort alive. He too faced the same intransigence and returned to London discouraged by the absolute unwillingness of the Communist leadership to take even preliminary steps that might lead to a peaceful settlement.

Unilateral initiatives: On April 7 in a major address President Johnson stated that the United States stands ready for unconditional discussions any time, anywhere to bring peace to Vietnam. He noted that we have stated this position over and over again to friend and foe alike. Hanoi and Peiping responded by calling the proposal a hoax, a big swindle, a lie covered with flowers.

Proposals from other nations: A proposal with wide international backing was the appeal of 17 nonaligned nations for a peaceful negotiated solution to the Vietnam conflict. In its response to this appeal on April 8, the United States stated again its readiness to undertake unconditional discussions.

Communist China and North Vietnam rejected unconditional negotiations, declaring that the Vietnamese people will never agree to negotiations without preconditions. Marshal Tito and other unspecified backers of the 17-nation appeal were labeled monsters and freaks in the Peiping People's Daily.

Another proposal by President Radhakrishnan, of India, called for: (a) cessa-

tion of hostilities by both sides, (b) policing of boundaries by an Afro-Asian patrol force, and (c) maintenance of present boundaries so long as the people concerned desire it. We have shown our interest in this proposal in continuing discussions with the Indian Government.

Communist China denounced the Indian proposal as a plot to use Afro-Asian countries to serve U.S. aggression against Vietnam and accused the Indian Government of betraying the Afro-Asian countries' stand of opposing imperialism and colonialism and supporting the national liberation front movement.

Hanoi also rejected the Indian proposal, calling the erroneous viewpoints of Indian ruling circles an offense against the South Vietnamese people.

Cambodia conference: Not all overtures for negotiations are direct. It was widely suggested that a conference to consider the neutrality and territorial integrity of Cambodia would provide opportunities for discussion of other serious and related matters such as the conflict in Vietnam. A new Cambodian proposal for such a conference was made in 1965. The United States indicated it would be willing to attend. But subsequent statements by the Cambodian Government, strongly endorsed and amplified by Communist China, made it clear that such a conference would not be permitted to serve as a way to search for a solution to the Vietnam issue.

Bombing "pause": Often actions speak louder than words. Seeing its own overtures and those of other concerned nations rebuffed by the Communists, the United States provided a further opportunity for the other side to demonstrate its interest in ending the Vietnam conflict by suspending bombing operations against North Vietnam for the period May 13-17. Such a pause had been suggested by a number of observers who believed this might give the Communists an opportunity to indicate a change in course without preliminary diplomatic or public discussions. This hope turned out to be baseless. The Vietnam News Agency in Hanoi called the suspension "a worn-out trick of deceit and threat." The New China News Agency in Peiping characterized the suspension as "a peace swindle," "a despicable trick," and "war blackmail."

Equally significant was the fact that there was no noticeable change in the pace of aggression mounted from North Vietnam. The Canadian representative on the International Control Commission in Vietnam who went to Hanoi to discuss North Vietnam's reaction to the pause also found no change in the Communist position.

British Foreign Secretary Michael Stewart told the House of Commons on June 21 that the British Consul in Hanoi had attempted to serve as a channel of communication between the United States and the North Vietnamese authorities before, during, and after the pause, but that he was coldly rebuffed.

The record is clear. On our side: a readiness to undertake discussions under a wide variety of auspices, without preconditions, for the purpose of ending the fighting in Vietnam. On the Communist side: intransigence, rude re-

buffs of well-intentioned overtures, insistence on plainly unacceptable preconditions, and an unabating output of harsh propaganda.

I know our Government will continue to look for a workable solution to this problem, a solution that enables the people of Vietnam to live in peace and enjoy the progress of which they are capable. But I would point out in closing that negotiations on a problem of this gravity are too important to be entered upon lightly. Each proposal must be considered on its merits. Does it contain the possibility of a serious contribution toward a solution? Will the responsible parties take part?

That is why our Government insists that any peace discussions be conducted with responsible governments. The Communists are naturally anxious to get us to negotiate with the so-called national liberation front, or with the Vietcong. We know, however, that the front is just what its names indicates: a front for a Communist apparatus controlled and directed by the Communist authorities in Hanoi. It is little more than the South Vietnamese branch of the North Vietnamese Communist Party, and as such has no valid claim to popular support or representativeness in South Vietnam.

Our Government has quite correctly taken the view that there is no point in negotiating with the troops in the front lines when the real power lies in Hanoi. The Secretary of State has indicated that we would not object if North Vietnam included members of the front in a North Vietnamese delegation to a possible peace conference. That would be up to Hanoi. But for us to enter into negotiations with the front, or with the shadowy figures who run the Vietcong in South Vietnam, would fly in the face of an elementary principle of successful negotiations: that the opposite party actually have authority and power to speak for its side.

We will continue to work for peace in southeast Asia. Our diplomatic actions are part of that effort. So is our military commitment. As the President has indicated, we will persevere at both.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. JARRIS. I yield.

Mr. MONRONEY. I associate myself with the very fine speech that my distinguished colleague has just delivered on the history of our peace efforts to end the war in Vietnam and the importance of the struggle for freedom in that part of the Far East in which Vietnam is the keystone. I commend him for the historic research that he has done for his speech on the peace efforts that have been made.

He has very clearly focused light on the fact that peace efforts by Hanoi are for propaganda only. Repeated overtures by responsible negotiators of many nations have been rebuffed and ridiculed, while the North Vietnamese have held out a phony olive branch trying to convince the rest of the world that they are being denied a chance to negotiate a just settlement for this vital area of the world.

I quite agree with my colleague, and the actions of the President of the United

States in moving to strengthen our hand in the Far East, so that we shall be certain not to become the victims of a military disaster, and that we shall have the strength to maintain the freedom of South Vietnam until peace overtures can genuinely come from Hanoi and North Vietnam.

I compliment my colleague on the work he has done, and what he is trying to do.

Mr. HARRIS. I appreciate the kind words of my distinguished colleague, especially because of his superior firsthand knowledge of the situation in Vietnam, having been there himself in very recent months, and because of the great weight his statements have with me and with all others who know of the great dedication and knowledge which the Senator has, not only on this subject, but on all subjects which concern us these days.

I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I join the senior Senator from Oklahoma in commending the junior Senator from Oklahoma on an excellent speech on Vietnam. This is the kind of speech that is most helpful.

There has been a great deal of concern around the country and a great deal of misinformation about our position, strength, and prospects in South Vietnam. Too few Americans understand the remarkable efforts President Johnson has made to persuade our adversaries to settle this tragic situation with peaceful negotiations. The junior Senator from Oklahoma's brilliant analysis of the patience, persistent work for negotiations should persuade any open-minded, fair-minded American that this administration is doing all it honorably and sensibly can do to achieve peace.

The President has been frank in telling the American people that this is a difficult situation which is likely to take a long time and likely to require sacrifices on the part of all young men sent overseas.

The kind of thoughtful well-organized exposition the Senator from Oklahoma [Mr. HARRIS] has given us is most helpful to a thorough understanding throughout the country of this complex and difficult issue.

Mr. HARRIS. The distinguished Senator from Wisconsin has made a great contribution to the knowledge and understanding in this field. Only yesterday I listened to a careful accurate, and sound statement on the very subject which he has discussed. I appreciate his comments.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. HARRIS. I yield.

Mr. COOPER. I, too, commend the Senator from Oklahoma [Mr. HARRIS] for his very fine speech. He has performed a valuable service in providing to the Senate and the country a source of information on the efforts that have been made toward negotiations. From an historical standpoint the speech of the Senator from Oklahoma is valuable. I like the hopeful note at the end of the speech that efforts toward negotiations will still be made; and we hope very much that they will finally have results.

Mr. HARRIS. I certainly thank the distinguished Senator from Kentucky.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARRIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, it is so ordered.

WATER POLLUTION CONTROL

Mr. MOSS. Mr. President, the Deseret News, a pioneer Utah newspaper founded in 1850, published on Monday, July 26, 1965, an editorial entitled "Where U.S. Control Is Warranted."

Quite normally, the Deseret News takes a strong editorial position against the expansion of authority and influence by the Federal Government.

In this instance, however, the Deseret News shows its flexibility and its great understanding of a critical situation now facing America.

The editorial, concerning water pollution and the efforts of Congress during recent sessions to approve a water pollution control bill contains a recommendation that Congress now pass S. 4, the Senate-approved Water Pollution Control Act.

The Senate bill provides for the setting of water quality standards and the enforcement of the act by the Federal Government.

The Deseret News rightly feels that since the States have been given ample opportunity to enact water pollution controls and provide strenuous enforcement, but have not acted, the Federal Government should take the responsibility. The editorial also notes that 14 States have no authority under existing statutes to set the contemplated water quality standards.

A conference committee, of which I am a member, has just been appointed to resolve the differences between the Senate and House bills. It is my hope that the Federal Government will be given the authority to set quality standards and provide stringent enforcement so that our Nation's lakes and rivers might once again run clear.

Mr. President, I ask unanimous consent that the Deseret News editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHERE U.S. CONTROL IS WARRANTED

Last year Congress was unable to pass a water pollution control bill because it couldn't agree whether the Federal Government or the States should set water quality standards.

This year the legislation passed both Chambers—but final enactment is being delayed because of the same dispute. In fact, nearly 3 months have gone by without even so much as the selection of a conference com-

mittee to resolve the differences between the House and the Senate.

The Senate bill provides for Federal standards of water quality and enforcement procedures to prevent pollution of intrastate streams and other bodies of water. The House version allows States to set their own standards.

This deadlock is hard to understand because water pollution is one area where Federal standards and enforcement are warranted.

In the first place, in 14 States no one has the authority to set the contemplated water quality standards.

In the second place, uniform national standards are necessary in order to prevent pollution effectively and keep it controlled. Because streams and rivers pass from one State to another, the State that falls down on the job of controlling pollution unnecessarily complicates the task of those States which are conscientious about combating dirty water.

Supporters of the House version of the bill contend that States should be given an opportunity to act first because they are closest to the source of the pollution. The trouble is that the States already have had adequate opportunity to act on their own, yet the pollution problem grows greater every year as the country gets more people and more industry.

Moreover, we can't afford to delay. By the year 2000, according to a report from the Senate Public Works Committee, the Nation's need for water will have far outstripped the maximum amount of usable water. The solution is to reuse the available water. But the more water is polluted, the less possible multiple use becomes.

Unless we all pull together, the need to control water pollution could defy solution, which is within grasp. So let's stop stalling and start working, beginning with adoption of the pollution control measure as passed by the Senate.

PROGRESS IN CURBING INVASIONS OF PRIVACY BY FEDERAL GOVERNMENT

Mr. LONG of Missouri. Mr. President, a little over a year and a half ago, the subcommittee over which I preside, the Subcommittee on Administrative Practice and Procedure of the Committee on the Judiciary, began a small, limited investigation into the use of electronic snooping devices by the Federal Government. At that time, my small staff and I were deep in the woods not knowing where the small path we had found would lead or what we would find along the way. Today, we are still not out of the woods; in fact, we are in a woods darker and more sinister than where we began. For today, the subcommittee is deeply involved in a most important and long-overdue investigation.

Initial probes revealed that there had been substantial purchases of electronic gear by Government agencies. If the agencies had them they must put them to some use.

As the investigation proceeded a little further, the staff and I became increasingly aware of the sophistication of this gear and the potential dangers it posed for the right to privacy.

After further study and reflection we decided that use of electronic gear was only one method or weapon used to invade privacy. Because of the overall con-

cern for infringements upon any aspect of this right, the subcommittee decided to attempt to take a hard look at all kinds of invasions of privacy by Federal agencies. Pursuant to this decision, a comprehensive questionnaire was prepared and sent to over 30 agencies of our Government.

The questionnaire, while concentrating on the possession, cost, and use of electronic gear, also inquired into the use of security forces, mail covers, psychological testing, desk checking, and other activities that might possibly step on the individual's privacy without sufficient public need for doing so.

The results of this questionnaire have only partially been analyzed. Lack of cooperation in answering the questionnaire, evasive answers when given, and checking the accuracy of the responses are some of the roadblocks to a complete and accurate, even if preliminary, report of the facts disclosed by the questionnaire. The tally continues. It may be some time before all the truth is revealed.

The questionnaire did serve a very important function. As the first public and official step of the investigation, it gave the subcommittee a foundation upon which to build a detailed and thorough inquiry. In addition, the press reports of this initial step made the public aware of our interest in the privacy area. The public then began to relate their experiences with the Government and their losses of privacy because of those experiences.

Marshalling the facts gained from the questionnaire and from the independent investigations of citizens' complaints, and researching the legal posture of the Congress, the Executive and the courts in regard to these facts, the subcommittee was ready to begin building an official record documenting what we knew or had suspicion of for some time. I might add, that many times, disclosures were made that were unheard of until revealed at the actual hearings.

Hearings began February 18, 1965. In order to demonstrate to the public, to the press, and to the Congress the insidious and intrusive character of modern electronic devices, this first day was devoted to a demonstration of the workings and use of various "bugging" gadgets. Experts in the field testified as to the use and effectiveness of the "bugs," and also to their potential danger to a free society. Indeed, one manufacturer of such devices stated his belief that these "bugs" were dangerous enough to warrant congressional control through legislation.

The devices included innocent looking flower vases and cigarette lighters cleverly concealing miniature microphones, a Dick Tracy wrist watch transmitter, a transmitter concealed in a martini olive, telephone attachments that could surreptitiously intercept and record either telephonic communications or normal conversations within an entire room.

One such device, when placed on a telephone line, could be activated by merely dialing the phone number of the line to which the device was attached. The eavesdropper could dial the number from just about anywhere in the world—

that is, Hawaii to Washington, D.C.—as long as he could dial directly and the "bug" would be activated. The microphone of the phone would then be turned into a transmitter which would transmit over the phone line all sounds in the room in which the rigged phone was located. I might add, that the rigged phone would not ring when dialed, and if the person who was being bugged used his phone, the device would automatically deactivate. In short, there was absolutely no way to discover this bug other than by physical search.

Other devices of clever concealment were shown. There were desk pen mikes, attaché cases that were in reality small, compact and efficient broadcasting and recording studios, lapel mikes, mikes disguised as cigarette packs, as desk staplers, desk calendars, and picture frames.

The subcommittee was convinced, due to the efficiency and size of these bugs, that there is just about no way in which they cannot be concealed in an everyday object that we all have in our homes or offices; and that there was no home or office that did not contain ample locations for such bugs that would provide a perfect place of concealment. In short, this first day of hearings proved beyond doubt the Orwellian capabilities of these small electronic devices.

The next 4 days of hearings turned the subcommittee's attention to activities in the Post Office Department. While little information was developed as to the use of electronic bugs, the hearings did reveal widespread use of another type of investigative technique with which, I for one, have known and questioned for some years. This technique is the mail cover.

By now, most of us are aware that a mail cover consists of recording the information—the address, return address and postmark—on the outside of an envelope. A mail cover does not include opening first-class mail. The testimony at the 4 days of hearings revealed possible abuses of this investigative technique.

Mail covers are used to locate fugitives or aid in the securing of evidence of criminal acts involving the mails. This was asserted repeatedly by postal officials. However, it was admitted that mail of innocent citizens was often caught in the cover of a suspect's mail. The mail of an attorney and his client could be covered. The mail of a suspect's wife and children could be covered. Anyone corresponding with someone suspected of some improper conduct could have his mail covered.

The lack of safeguards against abusive use of mail covers also concerned the subcommittee. There is, barring mistake, no way to determine whose mail is covered at any one time. There were no records kept of mail covers after 2 years, yet there were around 1,000 mail covers placed each month. In addition, fearing improper disclosure, the Post Office requested to be released from their obligation to deliver a list of 24,000 names that were subjected to mail covers over the last 2 years.

The number, scope, and lack of records in regard to mail covers prompted the subcommittee to take immediate steps

to mitigate the chance for abusive use of mail covers. The staff of the subcommittee had several conferences with the postal authorities in regard to the corrective steps necessary to protect the mail of our citizens. The subcommittee was particularly gratified with the cooperation given by Postmaster General Gronouski.

Due to the candor and aid of the Postmaster General and the Office of General Counsel, a tentative accord has been reached on the use of mail covers. On June 16, 1965, I placed into the CONGRESSIONAL RECORD, the new and more rigid regulations regarding mail covers issued by the Postmaster General.

I emphasize that this was a tentative agreement. If further abuses occur or these new regulations are ignored, the Postmaster General understands that I will renew my previous efforts to ban mail covers outright. To this purpose S. 973 was introduced some time ago, and is now, and has been pending before the Post Office and Civil Service Committee.

In addition to mail covers, the subject of the use of peepholes or observation galleries were examined during these 4 days of hearings. In the major post offices around the country, a system of observation galleries had been established by which postal inspectors could spy on the postal employees while at work. These galleries extended throughout the work areas, the swing or locker rooms—men's and women's—and the men's toilets.

The postal officials at first claimed that these galleries were essential to securing inviolability of the mails. However, after questions concerning the propriety of such galleries and their actual effectiveness in protecting the mails, the Post Office Department issued new orders blacking out the peepholes in the men's toilet rooms and the women's shift rooms. While some galleries remain in operation, we have assurances of the Postmaster General that these remaining ones are absolutely necessary to protect the mails, and that no peeping at employees while engaged in purely personal activity will recur.

Throughout these 4 days of hearings, the postal officials adamantly adhered to their statement that no first-class mail was or could be opened unless pursuant to a search warrant or statutory directive to the employees of the dead letter office. However, one witness did testify that his mail was opened. The postal officials explained that this was an embarrassing mistake that was completely unintentional.

While preparing to inquire into another agency's activities, the subcommittee learned that the profession that the inviolability and sacredness of first-class mail rendered impossible the improper opening of it was not quite accurate.

On April 13, 1965, the subcommittee held hearings on what is now referred to as "mail levies." Under dubious, if not nonexistent, legal authority, a mail levy involved the handing of all classes of mail—including first class—over to the Internal Revenue Service. IRS then would levy on the contents of this mail in order to collect delinquent taxes owed by the addressee.

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did not meet the deadline. We are hopeful that the Board will take favorable action soon.

At the semiannual meeting of the Deep Fork Watershed Association on June 25, one of the resolutions adopted urged the construction of two reservoirs, a part of the central Oklahoma project, as soon as possible.

Mr. President, I ask unanimous consent that the resolution and attachments be printed in the Record and appropriately referred. I urge that the Committee on Public Works give them due consideration.

There being no objection, the resolution and attachments were ordered to be printed in the Record, and referred to the Committee on Public Works, as follows:

RESOLUTION BY DEEP FORK WATERSHED ASSOCIATION

Whereas the approval of the central Oklahoma project by the Rivers and Harbors Board is expected momentarily; and

Whereas the construction of the Arcadia and Wellston Lakes is a vital part of the navigation feature of that project; and

Whereas the determination of the sites and the acquisition of the necessary right-of-way vitally affects the future plans and the economy of the Oklahoma City area; and

Whereas the U.S. Army Engineers District, Tulsa Corps of Engineers, survey report as revised on May 14, 1965, shows the annual benefits from flood control alone, to be \$179,100 and, \$96,300, respectively, on the Arcadia and on the Wellston Lakes, on a 50-year basis; and

Whereas the same survey report shows the annual benefits from recreation alone, to be \$217,000 and \$165,400, respectively, on the Arcadia and Wellston Lakes, on a 50-year basis; and

Whereas the combined annual benefits from the construction of both the Arcadia and Wellston Lakes for flood control and recreation together total \$657,700 on a 50-year basis and \$751,500 on a 100-year basis; and

Whereas the early construction of these lakes would greatly improve and inspire upstream flood control: Therefore be it

Resolved, That the Deep Fork Watershed Association in its semiannual meeting at Fountainhead Lodge on Lake Eufaula this 25th day of June 1965, urge our entire congressional delegation, immediately upon notice of the approval of said central Oklahoma project, to seek immediate construction of the Arcadia and the Wellston Lakes.

ROBERT W. BLACKSTOCK,
President.
CARNEY O. DEAN
Secretary-Treasurer.

AUTHORIZATION FOR COMMITTEE ON GOVERNMENT OPERATIONS TO MAKE CERTAIN STUDIES AS TO THE EFFICIENCY AND ECONOMY OF THE OPERATIONS OF THE GOVERNMENT—REPORT OF A COMMITTEE

Mr. McCLELLAN, from the Committee on Government Operations, reported an original resolution (S. Res. 135) authorizing the Committee on Government Operations to make certain studies as to the efficiency and economy of the operations of the Government, which, under the rule, was referred to the Committee on Rules and Administration, as follows:

Resolved, That S. 54, Eighty-ninth Congress, first session, agreed to February 8, 1965,

is amended by striking out the amount "\$435,000" on page 6, line 4, and inserting in lieu thereof the amount "\$465,000".

FUNDS FOR THE STUDY OF MATTERS PERTAINING TO ECONOMY AND EFFICIENCY OF FOREIGN ASSISTANCE ACTIVITIES BY THE FEDERAL GOVERNMENT—REPORT OF A COMMITTEE

Mr. GRUENING, from the Committee on Government Operations, reported an original resolution (S. Res. 136) to provide funds for the study of matters pertaining to economy and efficiency of foreign assistance activities by the Federal Government, which, under the rule, was referred to the Committee on Rules and Administration, as follows:

Resolved, That section 4 of Senate Resolution 58, Eighty-ninth Congress, first session, authorizing funds for the study of matters pertaining to economy and efficiency of foreign assistance activities by the Federal Government, agreed to on February 8, 1965, be amended by striking out "\$57,000" and inserting in lieu thereof "\$91,500".

FUNDS TO STUDY AND EVALUATE THE EFFECTS OF LAWS PERTAINING TO PROPOSED REORGANIZATIONS IN EXECUTIVE BRANCH OF THE GOVERNMENT—REPORT OF A COMMITTEE

Mr. RIBICOFF, from the Committee on Government Operations, reported an original resolution (S. Res. 137) to provide funds to study and evaluate the effects of laws pertaining to proposed reorganizations in the executive branch of the Government, which, under the rule, was referred to the Committee on Rules and Administration, as follows:

Resolved, That section 4 of Senate Resolution 56, Eighty-ninth Congress, first session, authorizing funds to study and evaluate the effects of laws pertaining to proposed reorganizations in the executive branch of the Government, agreed to on February 8, 1965, be amended by striking out "\$57,500" and inserting in lieu thereof "\$88,000".

BILLS INTRODUCED

Mr. HOLLAND, by unanimous consent, introduced a bill (S. 2346) to provide for the conveyance of certain real property of the Federal Government to the Board of Public Instruction, Okaloosa County, Fla., which was read twice by its title and referred to the Committee on Armed Services.

(See the remarks of Mr. HOLLAND when he introduced the above bill, which appear under a separate heading.)

RESOLUTIONS

AUTHORIZATION FOR COMMITTEE ON GOVERNMENT OPERATIONS TO MAKE CERTAIN STUDIES AS TO THE EFFICIENCY AND ECONOMY OF THE OPERATIONS OF THE GOVERNMENT

Mr. McCLELLAN, from the Committee on Government Operations, reported an original resolution (S. Res. 135) authorizing the Committee on Government Op-

erations to make certain studies as to the efficiency and economy of the operations of the Government, which, under the rule was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. McCLELLAN, which appears under the heading "Reports of Committees.")

FUNDS FOR THE STUDY OF MATTERS PERTAINING TO ECONOMY AND EFFICIENCY OF FOREIGN ASSISTANCE ACTIVITIES BY THE FEDERAL GOVERNMENT

Mr. GRUENING, from the Committee on Government Operations, reported an original resolution (S. Res. 136) to provide funds for the study of matters pertaining to economy and efficiency of foreign assistance activities by the Federal Government, which, under the rule, was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. GRUENING, which appears under the heading "Reports of Committees.")

FUNDS TO STUDY AND EVALUATE THE EFFECTS OF LAWS PERTAINING TO PROPOSED REORGANIZATIONS IN EXECUTIVE BRANCH OF THE GOVERNMENT

Mr. RIBICOFF, from the Committee on Government Operations, reported an original resolution (S. Res. 137) to provide funds to study and evaluate the effects of laws pertaining to proposed reorganizations in the executive branch of the Government, which, under the rule was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. RIBICOFF, which appears under the heading "Reports of Committees.")

CONVEYANCE OF REAL PROPERTY OF THE FEDERAL GOVERNMENT TO THE BOARD OF PUBLIC INSTRUCTION, OKALOOSA COUNTY, FLA.

Mr. HOLLAND. Mr. President, I introduce a bill to provide for the conveyance of certain real property of the Federal Government to the Board of Public Instruction, Okaloosa County, Fla., for educational use.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2346) to provide for the conveyance of certain real property of the Federal Government to the Board of Public Instruction, Okaloosa County, Fla., introduced by Mr. HOLLAND, was received, read twice by its title, and referred to the Committee on Armed Services.

ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of July 19, 1965, the name of Mr. RANDOLPH was added as an additional cosponsor of the bill (S. 2303) to authorize payments to college students for sat-

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isfactory undergraduate work, introduced by Mr. HARTKE (for himself and Mr. McCARTHY) on July 19, 1965.

NOTICE OF HEARING ON NOMINATION OF OREN HARRIS, OF ARKANSAS, TO BE U.S. DISTRICT JUDGE, EASTERN AND WESTERN DISTRICTS OF ARKANSAS

Mr. McCLELLAN. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Monday, August 9, 1965, at 10:30 a.m., in room 2228 New Senate Office Building, on the nomination of OREN HARRIS, of Arkansas, to be U.S. district judge, eastern and western districts of Arkansas, to fill a position created by public Law 87-36, approved May 19, 1961.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from North Carolina [Mr. ERVIN], the Senator from Missouri [Mr. LONG], the Senator from Illinois [Mr. DIRKSEN], the Senator from Nebraska [Mr. HAUSSKA], and myself, as chairman.

NOTICE OF HEARING ON S. 578

Mr. TYDINGS. Mr. President, as chairman of the Subcommittee on Improvements in Judicial Machinery of the Committee on the Judiciary, I wish to announce that hearings will be held on S. 578, a measure to provide means for the disqualification of circuit judges for bias or prejudice.

The hearings are scheduled for August 12, 1965, at 10 a.m., in room 2228, New Senate Office Building. Any person who wishes to testify or submit statements pertaining to this measure should communicate with the Subcommittee on Improvements in Judicial Machinery.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. COOPER:

Editorial entitled "A Voice That Spoke to All Humanity," paying tribute to Adlai Stevenson, published in the Louisville Courier-Journal on July 13, 1965.

By Mr. MONRONEY:

Article entitled "The Research and Development Pork Barrel," published in Science for July 2, 1965, dealing with the selection of a site for the proposed new National Accelerator Laboratory.

By Mr. MUNDT:

Results of South Dakota poll favoring the retention of right-to-work law, published in the Sioux Falls Argus-Leader.

Fe *Long*
VIETNAM

Mr. LONG of Louisiana. Mr. President, on Wednesday last, the entire Nation heard President Johnson present the decisions which he had reached in more than a week of consultation and soul

searching concerning the present stage of the war in Vietnam. It was a sobering statement of our purposes and aims and of determination to keep our commitments at whatever costs the situation demands, both now and the future.

I know that all Senators have informed themselves on what the President said, even if they were unable, as I was, to listen to the broadcast and telecast of the news conference. Nevertheless, his decisions and his statements are of very great importance. I ask unanimous consent to have printed at the conclusion of my remarks a succinct statement of this Nation's position by Mr. Roscoe Drummond.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit 1.)

Mr. LONG of Louisiana. Mr. President, it is impossible to predict how long we may be involved in this dirty and difficult war in the steaming jungles of Vietnam, and it is impossible to know what the costs to the Nation may become before the job is finished. Our course has been set, however, and the people of the country are resolved to support the President in the measures which will be necessary. Great sacrifices will be required, and we shall have many disappointments before we have completed the task.

What we are engaged in, and have been engaged in for almost 50 years, is a global struggle which we must win if the Nation as we know it today is to survive. The war in Vietnam is only one more fight in the larger effort, and it is a very necessary one. We must not shrink from the tasks which we face there, and the President has made it clear that he intends to continue the wise and patient course he has been following, however long it may take. His aim is still to have peace and stability for the people of Vietnam, rather than violent death and destruction.

The Communist forces in Vietnam are not coming to the conference table, however, until they have been defeated in their military efforts to conquer South Vietnam. There seems little disagreement about this fact, even among those who have tried repeatedly to persuade the government at Hanoi to negotiate. We face an arrogant and vicious enemy and there is only one way and one place to deal with him at the present time—that is by force of arms on the ground in South Vietnam and in the air over North Vietnam.

We can hope that he, and his masters in Peiping, will be soon convinced of the utter futility of their effort to drive us into the sea, and back across it in retreat. Until that day comes, as a great and proud Nation we have no alternative but to meet the worst that the enemy can put forth and teach him that we are not afraid to fight even under such difficult circumstances as we face in fighting a war thousands of miles away and on terrain largely of his choosing.

The North Vietnamese have stepped up their military engagement in South Vietnam by steadily increasing the flow of men and arms into the country, and by exercising more brutal methods of extracting what they need from the South

Vietnamese people—food and recruits. They have, while the world looked on, improved the weaponry they employ against villages as well as armed men by standardizing their "family" of arms to ammunition manufactured only in Communist countries, infiltrated by sea and land in huge quantities.

They have overrun villages and district capitals with several battalions of regular troops, sometimes using innocent persons as human shields as a deliberate military tactic. They have, in terror attacks in Saigon and other cities, killed and maimed hundreds of Vietnamese women and children along with a lesser number of Americans, and hailed these atrocities as great victories. The people on whom these atrocities are being perpetuated deserve our best efforts.

Ten years ago, or even five or less, it was generally agreed that South Vietnam deserved to remain independent and free. Its right to do so was unrelated to its form of government, social order, or the people who governed it; that right was based on the aspirations of its whole people. It is no less so today.

To those who argue the United States should withdraw from South Vietnam rather than meet the challenge there, I would ask, what has changed? What was true in the past is no less true today because the Vietnamese have faltered in establishing stable government, or are inexperienced in rural administration, or are suffering more this year than last at the hands of Vietcong-North Vietnamese military forces.

It was, and is, true that no segment of the South Vietnamese population has chosen to give up the fight and accept domination from Hanoi and Peiping. No popular South Vietnamese political leader has chosen to join the so-called Liberation Front, the political arm of the Vietcong. The numbers of refugees from Communist domination who have chosen to abandon their lands and live in Government-protected areas is still in the hundreds of thousands.

The important fact to remember, in recalling the ups and downs of political development in South Vietnam is that none of the disputants for power challenges the country's resistance to Communist aggression mounted from outside its borders.

EXHIBIT 1

[From the Washington Post, July 30, 1965]
VIETNAM DEFENSE—PRESIDENT STANDS FIRM
(By Roscoe Drummond)

The actions President Johnson is taking to build up U.S. strength in the defense of South Vietnam are inescapable. They are wise actions because their goal is peace, not war.

The President had no hard decision to make this week. He had already made the hard decision more than 3 months ago. Everything we are now doing in Vietnam flows from it.

The really hard, soul-searching, somewhat-may decision was made by Mr. Johnson on the eve of his April 7 address at Johns Hopkins University in Baltimore. It was embodied and embedded in these three incandescent sentences:

"We will not be defeated. We will not grow tired. We will not withdraw"—until peace is assured.

No further decision of policy or will or commitment had to be made. All that re-

mained was to determine the means to implement that decision—larger U.S. forces in Vietnam, larger draft calls, larger defense budgets, and—in the end—“whatever is necessary.”

Mr. Johnson rightly says that three Presidents have given their word that the United States would help. But there is a difference. It is not putting it too bluntly to say the difference is this:

President Eisenhower decided to aid South Vietnam.

President Kennedy decided to continue aiding South Vietnam.

President Johnson decided to succeed in aiding South Vietnam.

Because President Johnson is committed to defending South Vietnam successfully against the Communist use of force to take over the country, “whatever is necessary” to do it will be employed.

This is not a decision taken by the President alone. It is shared by Congress, which approved the President's course earlier, and will have to approve it again when more defense appropriations are sought.

Mr. Johnson well knows there are misgivings and doubts and puzzlement about why we are fighting in Vietnam. There couldn't possibly be a harder decision for a President to make than to send American soldiers into combat when the Nation itself has not been directly attacked.

When World War I and World War II came to the shores of the United States—through the German U-boats and at Pearl Harbor—no painful decision of whether or not to resist had to be made. It was automatic and self-evident.

Now the President is asking the American people to ponder carefully the lessons of Munich and of Korea. The world invited Hitler's terrible aggression by trying to buy him off through appeasement. It didn't work. It led to more aggression.

Before the Communist attack on South Korea, we had withdrawn most of our forces and left the door open to another aggression. It came and, too late to avert it, President Truman bravely decided it had to be resisted.

Today the United States is helping defend South Vietnam because we are applying the grimmest, the most costly and the most crucial lesson of war to date. It is that, if aggression is not resisted—and resisted successfully—when it begins, it will grow and spread and the end result of failing to resist will be worse aggression, worse war, under worse conditions.

To withdraw in the face of the aggression against South Vietnam would mean only that we would have to prepare for the next aggression—and the next.

This is the lesson of Munich. This is the lesson of World War II. This is the lesson of Korea.

President Johnson is applying this lesson to save lives, to avert worse war, and to find the way to a safer peace.

NATIONAL AMERICAN LEGION BASEBALL WEEK—LEGISLATIVE REAPPORTIONMENT

The Senate resumed the consideration of the joint resolution (S.J. Res. 66) to provide for the designation of the period from August 31 through September 6 in 1965, as “National American Legion Baseball Week.”

Mr. DIRKSEN. Mr. President, the distinguished majority leader and I have been endeavoring to establish a target date for the disposition of the reapportionment matter, which is the pending business before the Senate. I believe we have reached a tentative agreement with respect to all amendments and substi-

tutes and the disposition of the joint resolution, all of which should come in a single day. The Senate should remain in session as long as necessary to dispose of them. I wanted to direct that matter to the attention of the distinguished majority leader to see whether he has any comment to make upon it. It is necessary to make certain that all Senators are notified as to what will happen, so that if they have other commitments, they can cancel them and be present at that time.

Mr. MANSFIELD. Mr. President, in response to the questions directed to me by the distinguished minority leader, let me say that we had an informal conference this morning. We consulted certain interested Senators. We were prepared today to propound a unanimous-consent request by means of which the Senate would convene at 10 o'clock on Wednesday morning next and on that day dispose of both the Javits amendment in the nature of a substitute and any amendments thereto and the Dirksen amendment to the joint resolution, as well.

Unfortunately, we have encountered a few minor snags, which we believe can be cleared up on Monday. At that time we intend to propound a unanimous-consent request along the lines I have just outlined.

The purpose of serving as much notice as possible is to put Senators on their guard, so that they may, if they feel so inclined, cancel all engagements for Wednesday next so as to be present to vote on this most important piece of proposed legislation.

Mr. JAVITS. Mr. President, will the majority leader yield?

Mr. MANSFIELD. I yield.

Mr. JAVITS. With the cooperation of the leadership, it is my intention to make my amendment in the nature of a substitute the pending business the first thing on Monday. I shall be prepared to debate it from that point until whatever unanimous-consent agreement that is proposed is agreed to. So far as I am concerned, I have already agreed with the leadership on my part of that unanimous-consent request.

Mr. MANSFIELD. Mr. President, I appreciate what the distinguished Senator from New York has just said. Senators who have other views on this subject have been most cooperative. They had hoped very much to be able to enter into a unanimous-consent agreement today, but because of circumstances beyond their control it is not possible to do so, and that it is thoroughly understandable. But Senators should be on notice that the joint leadership will make such a request on Monday along the lines sketchily outlined heretofore.

Mr. PROXMIRE. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. I yield.

Mr. PROXMIRE. I deeply appreciate the accommodation by the leadership. Speaking for the Senator from Maryland [Mr. TYDINGS], the Senator from Illinois [Mr. DOUGLAS], and some of the other Senators who have been strongly in opposition to the Dirksen amendment, I think it should be made clear that while some of us are anxious to press hard for

a prompt vote and to resolve the question as soon as possible, there is a difference of opinion. Some of our group are not yet satisfied, so it is not certain that a firm commitment can be delivered to agree to the unanimous-consent request on Monday. We hope to be able to do so, and there is a good indication that we can, but we wanted to make certain that the leadership understood that we cannot make a verbal promise or anything of that kind now.

Mr. MANSFIELD. We understand the situation and appreciate it.

Mr. JAVITS. Mr. President, will the Senator from Montana yield further?

Mr. MANSFIELD. I yield.

Mr. JAVITS. The majority leader did not confirm to me—and I would greatly appreciate it if he would, because all Senators would wish to be advised of this, too—that, so far as the leadership is concerned, there is no reason why it would not be possible to make my amendment in the nature of a substitute the pending business on Monday.

Mr. DIRKSEN. There would be no objection.

Mr. MANSFIELD. There is no reason why the Senator's amendment should not be made the pending business on Monday.

Mr. BASS. Mr. President, will the majority leader yield?

Mr. MANSFIELD. I yield.

Mr. BASS. Does the majority leader anticipate any other business than this on Monday?

Mr. MANSFIELD. At the moment, none that I know of.

ENACTMENT OF SOCIAL SECURITY AMENDMENTS OF 1965

Mr. ANDERSON. Mr. President, in a few hours President Johnson will sign the Social Security Amendments of 1965. Many statements have been made in this Chamber in recent days to indicate the magnitude of the social legislation which this afternoon will become the law of the land.

During the course of the long debate on the health insurance provisions, some of the opponents raised grave doubts about the possible injurious effect of the legislation on hospital and medical services.

In today's Wall Street Journal, Reporter Jonathan Spivak discusses the positive and beneficial impact the new law will have. It is a very useful article, particularly in view of the Wall Street Journal's editorial “Opposition to a Government Health Insurance for the Aged Plan.” I ask unanimous consent that the article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

MEDICARE'S IMPACT: OFFICIALS SEE PROGRAM BRINGING GENERAL GAINS IN U.S. MEDICAL CARE—CHARITY CASE DROP MAY AID HOSPITAL FINANCES; PRIVATE HEALTH BENEFITS COULD RISE—THE AMA QUIETLY CO-OPERATES

(By Jonathan Spivak)

WASHINGTON.—If the goals of Government health planners are realized, the Nation's massive new medicare program will improve

the quality and increase the quantity of medical care for all the Nation's citizens, not just the aged.

Besides paying for most of the oldsters' hospital and doctor bills, the broader benefits anticipated by the optimists from the health insurance measure President Johnson plans to sign today are these:

1. A major new source of cash for many of the Nation's hospitals, enabling them to acquire equipment and expand services for all patients. Hospital administrators say the financial strain of treating charity cases (the aged, or other poverty-stricken) has hampered efforts to offer improved services to financially better off patients while inflating the bills charged them. "We'll be able to provide for more people," says one hospital expert.

2. Speedier adoption by hospitals, county medical societies, and other health groups of arrangements to prevent unnecessary hospitalization and insure the most efficient use of all local medical facilities. The duty of these utilization review committees will be to OK the need for prolonged hospital stays by medicare beneficiaries. But Federal medical men expect the groups to assume broader burdens by studying the length of stays for all of an institution's patients. The results could reveal shortcomings that now frustrate efficient hospital administration.

UNIFYING OTHER PROGRAMS

3. Pressure to unify the Government's wide array of health programs. Medicare will encourage each State to develop its own plan for coordinating medicare with Federal programs that provide funds for such closely allied purposes as constructing hospitals and nursing homes, or training needed medical personnel. Medicare will assign the major responsibility for this task to the U.S. Public Health Service and State health departments, paying part of the cost and thus, the planners hope, strengthening these often ignored agencies.

4. Establishment of minimum national standards for hospitals, nursing homes, and organizations that provide medical services, such as nursing aid, in the patient's home. These requirements will be exceeded by many institutions, particularly those in metropolitan areas, but in small towns and rural areas medical standards and even the safety of facilities may now be inadequate.

5. A lightening of the economic load on nonprofit prepayment health plans and for nursing home coverage won't come into effect until January 1, 1967. As soon as the bill is signed, the Social Security Administration will begin tackling some 350 separate tasks, many of which must be completed within 60 days, to ready the administrative machinery for mid-1966 operation. One of the major immediate efforts will be to locate all of medicare's potential beneficiaries. SSA records in Baltimore headquarters contain the current addresses of 14.5 million oldest, who are now receiving retirement checks or other benefits. But another 4.5 million persons 65 years and over remain to be tracked down. Senior citizens' groups, county welfare departments, State and municipal hospitals, and other agencies will all help in the hunt.

TOUGH NEGOTIATIONS AHEAD

Such widespread benefits won't come about automatically. Many perplexing problems medicare's administration remain to be resolved. Months of negotiations lie ahead between the Government and hospitals, health groups and physicians.

But Federal officials are confident that organized medicine, which fought medicare so vigorously, now will cooperate to make it work well—if only because the program offers the doctors assurance of payment from patients who otherwise would be unable to afford their regular fees. Indeed, despite threats

of nonparticipation from some State medical societies, the American Medical Association has quietly created a committee to help the Social Security Administration set up the program. Its job is to find physicians to advise the Government on medicare's rules and regulations and serve on its high level advisory panels. The health insurance benefits advisory council and the national medical review committee. Yesterday President held a friendly summit session with a large group of AMA's top officials to smoke the peace pipe, though specifics were not discussed.

Now that the political strike is settled, medicare planners are seeking to make participation as painless as possible for the Nation's 290,000 physicians. Uncle Sam will try to keep paperwork and other extra demands on the doctor at a minimum. The essential initial medical certification that a patient requires treatment—necessary to start most of the program's payments—may be routinely handled by the hospitals. Physicians won't even be required to commit themselves in advance to serve all medicare patients; they'll be allowed to pick and choose.

NO U.S.-WIDE FEE SCHEDULE

There will be no fixed nationwide fee schedules. The medicare standard of reasonable charges means that prevailing fees in each locality will be followed. "All we are trying to do is to get the same shake for the aged as the doctors give their other patients," explains one Federal official. Delicate dealings with the doctors on exorbitant fees will be conducted under contract by Blue Shield and private insurance companies, not the Social Security Administration.

Medicare is actually divided into two packages. Part A, the so-called basic plan, covers hospitalization, nursing home care, outpatient diagnosis, and health services in the home. Financed by compulsory increases in social security taxes starting next January, it will be automatically available to almost all the aged over 65 years.

Part B, the supplementary plan, covers physicians' fees (which are excluded from the basic plan) and a variety of other medical services in and out of institutions. Oldsters must voluntarily select B and pay a \$3 monthly premium, matched by a Government contribution. It's thought 85 to 90 percent of the elderly will sign up for the supplemental coverage.

Both plans will start July 1, 1966, though nursing home coverage won't come into effect until January 1, 1967.

As soon as the bill is signed, the Social Security Administration will begin tackling some 350 separate tasks, many of which must be completed within 60 days, to ready the administrative machinery for mid-1966 operation. One of the major immediate efforts will be to locate all of medicare's potential beneficiaries. SSA records in Baltimore headquarters contain the current addresses of 14.5 million oldest, who are now receiving retirement checks or other benefits. But another 4.5 million persons 65 years and over remain to be tracked down. Senior citizens' groups, county welfare departments, State and municipal hospitals, and other agencies will all help in the hunt.

A month before medicare's benefits begin, the SSA will mail a wallet-sized health insurance benefits card, containing an identification number and other information, to everyone who is eligible. The card will help Uncle Sam handle medicare's immense recordkeeping requirements. SSA computers in Baltimore will probably maintain the master file, showing eligibility, amount of benefits used, payment of required deductibles, diagnostic details, and other essential information on every medicare beneficiary.

However, the Blue Cross Association, which will perform most of the daily administration of plan A, serving as a buffer between the

Government and the hospitals, is also eager to keep all the records. Blue Cross officials insist it would be cheaper and more efficient for the association to expand its existing health recordkeeping arrangements, than for Uncle Sam to start a new system. An unspoken objective is to insure the largest possible role for the voluntary organizations in medicare, making future enlargement of Federal functions more difficult. But Government experts are not persuaded by Blue Cross' sales pitch, particularly because SSA already has the computer capacity (three IBM machines) and the expertise to handle the job.

THE MECHANICS

In current concept, medicare's machinery would work this way: When sickness strikes and a medicare patient is hospitalized, he would flash his health insurance benefits card as immediate evidence of eligibility. Through one of SSA's 600 district offices, the hospital would query the central computers in Baltimore to find out exactly what benefits the patient is entitled to (some medicare coverage could have been exhausted during a previous spell of sickness). SSA would reply in 24 to 48 hours. At this point Blue Cross, or whatever intermediary organization is involved (the Kaiser Foundation health plan on the west coast might be one) would take over the details of bill payment and all other direct dealings with hospital or medicare patient.

A somewhat more complicated eligibility system would be required for plan B, since the doctor bill coverage will not come into play until the patient has paid \$50 in medical charges himself. The aged will probably have to keep track of their own medical bills, although eventually SSA experts envision the Baltimore computers taking over this task, too.

After the initial deductible, plan B pays 80 percent of the doctor bill, while the patient pays the other 20 percent. A doctor would have two alternatives in his billing. To avoid taking medicare money directly, he could bill his patient for any amount he wished. The patient would have to come up with the cash and then recoup 80 percent of the reasonable charge from the Government (which, of course, might be less than the physician's actual bill).

BLUE SHIELD POLICE

But if the doctor is more cooperative, he will agree to accept a medicare check for 80 percent of his services and bill the patient only for the 20 percent remaining. The second system is much desired by medicare's managers, since it keeps a tighter rein on physicians' fees and eases the payment problems of beneficiaries.

Either way SSA would not deal directly with the doctors. Commercial insurance companies or nonprofit medical payment plans, either Blue Shield or the group health organizations such as the health insurance plan of Greater New York, would be assigned the task of policing physicians' fees and a multitude of other daily duties. SSA expects to have one such carrier in every State or major geographical area; their administrative efficiency will be compared. Many health experts believe the key to controlling the costs of plan B will be to detect and deter the \$5 and \$10 bill padding, rather than a few outrageously large overcharges.

To keep close current tabs on all medicare costs, social security actuaries will scrutinize extra carefully the expenditures for a small sample of 15,000 to 20,000 beneficiaries. By this method, it's hoped fiscal trends affecting the entire program will be detected in months, rather than years.

Many medicare details remain to be worked out. Nationwide principles for repaying hospitals for treating medicare patients will be negotiated by the Government and the American Hospital Association, which represents

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pointed assistant district administrator for public affairs.

This year Mr. Bailey Olter, adviser to the U.S. delegation to the U.N. Trusteeship Council and a member of this congress, was appointed assistant district administrator for public affairs in Ponape. The position of political affairs officer on my staff was filled by a Palauan, Mr. Raymond Ulohong. A Palauan graduate of the George Washington University Law School, Mr. Kaleb Udui, was appointed to the position of assistant attorney general and has served very capably as acting attorney general on several occasions. Very recently, Mr. Manuel T. Sablan, of the Marianas, was appointed to the newly created position of assistant director of public safety. Our director of sanitation, as you know, is Mr. Nachsa Siren of Truk.

These are but examples of how Micronesians have been moving to higher levels of administration. This upgrading process is operating on all levels at the most rapid rate possible.

Other recommendations of the 1961 visiting United Nations mission that have been carried out are, as you know: the transfer of the administration of Saipan, Tinian and the other northern Mariana Islands from the Navy to the Department of the Interior; the uniting of these islands with Rota to form one district; and the moving of the headquarters of the administering authority to a site within the trust territory.

The 1961 mission recommended renewed vigorous attempts to reach a settlement with the former residents of Kwajalein for the use of their land as a U.S. defense base. After 18 years of negotiations which had proved fruitless, we did, in fact, reach a settlement of this issue early in 1964. The mission recommended that urgent attention be given to the payment of compensation for damages suffered several years before by the people of Rongelap from nuclear fallout. The U.S. Congress has recently approved funds for generous payments to the people of Rongelap and it will soon be my pleasure to disburse these payments.

Perhaps the most severe criticism of trust territory programs by the 1961 visiting mission was in the field of education, and it is in this field as you know that the administering authority has placed its greatest emphasis. We have as a matter of fact, undertaken an entirely new approach to education that goes far beyond the changes which the mission recommended.

In short, every major problem area except one noted by the 1961 visiting mission by way of criticism or recommendation has been resolved or accomplished during the past 4 years, the one exception being the matter of securing settlement of claims for war damages against Japan, and on this issue the U.S. Government is still trying to reach an agreement.

Does this mean all our problems have been resolved? No indeed, it does not; for in public and governmental affairs, as in life itself, nothing is static, nothing stands still. As you know, another mission traveled through the territory last year and in its report noted areas requiring attention. That report, however, was notable for its favorable comment on the progress of the preceding 3 years and its chairman stated to the assembled trusteeship council that "the hum of activity can be heard throughout Micronesia." And the hum is louder today than it was then.

Let me summarize some of the progress we've made since 1961 in the development of the territory's human and material resources.

As I said a moment ago, we have undertaken an entirely new approach in the field of education.

First, we have assumed full responsibility for the payment of teachers' salaries and for the construction and financing of school buildings as well as the provision of class-

room equipment and teaching materials. Policies have been changed to provide for English as the medium of instruction in all grades and in all schools where competent teachers are available or will become available in the future.

To make this policy effective and to improve standards of teaching, a radical departure from previous policy has been the recruiting of American teachers. Last year there were 123 American teachers in the public elementary schools of Micronesia and this fall others will be added to the staff. At the same time, we are carrying out an intensive program for the further training of Micronesian teachers, including special summer training sessions in all districts, and in 1963 we opened a new Teacher Training Institute in connection with the Pacific Islands Central School in Ponape under the supervision of educators from the University of Hawaii. Here, in the last 2 years, a total of 133 Micronesian teachers have had from 1 to 2 years of intensive training. For 1965-66 enrollment will be approximately 45.

When increased appropriations became available 2 years ago, we started a major school construction program. Since then, we have built a total of 250 classrooms, all of them of permanent construction, most of them from cement block, and all of them modernly equipped. The crash program to improve elementary education has been confined largely to areas of concentrated population but will be extended during this coming fiscal year to the outlying islands.

We have made comparable strides in improving and enlarging opportunities in secondary and advanced education. In 1961 there was one public high school in the entire Trust Territory; today, there are six public high schools, one in each district. Enrollment has increased from 150 students in 1961 to 1,980 students last year and we are expecting an enrollment of 2,500 this year. In addition, two junior high schools have been built in the subdistricts of Ullithi and Kusaie, which will start senior high school classes this fall.

Opportunities for advanced education have also increased. In 1961, there were 56 students in college on Trust Territory government scholarships. This fall the total will be 171, including 43 in premedical and paramedical training.

This will bring to a total approximately 300 Micronesian students in institutes of higher learning, including about 15 District Congress scholars, a limited number on grants from outside institutions and approximately 100 students who will attend college on their own resources or through a combination of administration and private assistance.

In the field of medical and health services, increasingly more funds and efforts have been expended. Funds for health services have been quadrupled, from \$583,901 in 1961 to \$2,120,000 for the fiscal year just ended. Two new hospitals, in Saipan and Palau, were built and in operation by the end of 1962, and one at Majuro was completed a few months later. In 1964 funds were allocated for a new hospital in Truk comparable to the one in Saipan, but construction was not started. The funds have been carried over to the new fiscal year and we expect construction to begin soon.

Since 1961 we have recruited six doctors with full medical degrees, one for each district, to provide on-the-spot assistance and advice to the Micronesian medical officers. Most significant was change in policy in 1962 to provide full medical training for future Micronesian doctors.

To help us analyze our particular health problems and to strengthen the organization of our department of public health, with a view of insuring the best possible health services for the people of Micronesia, I have requested the services of a highly

qualified U.S. Public Health Service specialist. I am happy to welcome Dr. Delmar Ruthig, of the U.S. Public Health Service who is with us today as a guest of the Congress.

There is an especially bright spot in our medical program that I am happy to report. In 1964, an intensive program was initiated in the territory to immunize every Micronesian citizen against smallpox, diphtheria, whooping cough, tetanus, typhoid, paratyphoid and poliomyelitis, as well as BCG for tuberculosis. The department of public health reports that the program has been completed or will be completed this month in the districts of the Mariana Islands, Palau and Yap; that it is 75 to 80 percent complete in Truk and Ponape; and that it is completed in the Marshall Islands district center and Ebeye. The program has been delayed in the outer islands of the Marshall district because of logistics problems but will be launched there soon.

The problem of transportation in the far-flung area of the trust territory is difficult, as we all know, but an adequate system of transportation is essential, not only to the Micronesian people and the administration, but also as a necessary infrastructure for the territory's economic development.

Four years ago, air transportation was so inadequate as to be a serious handicap in the work of the administration. We were entirely dependent on three amphibious planes with limited passenger and cargo capacity and the phrase, "I've been bumped," was a common complaint throughout the trust territory.

In 1961 plans were initiated for a major undertaking, the change from a water-based to a land-based operation. Although one of the amphibious craft was replaced by a DC-4 with five times the carrying capacity, which has eased the transportation problem, long-range plans called for the construction of three new airfields, a costly and time-consuming project. Two of these airfields have been constructed and are now in use, and work has been started on the third. When it is completed, we will have a basic interdistrict airlines operation, which, with the addition of new aircraft as needed, will be capable of handling any traffic that may be required in the foreseeable future.

We have made comparable improvement in sea transportation. Four years ago the frequency of shipping service to the district centers was from 2½ to 3 months. Today, we have shipping service between Palau-Yap-Guam-Saipan every 2 weeks and to the other districts every 4 weeks, with our ships carrying copra to Japan and returning with merchandise on the same schedule.

Shipping service within districts is also being improved. A new 65-foot vessel is providing regular cargo and passenger service in the Truk lagoon area and two new vessels, the *Yap Islander* and the *Truk Islander*, will be added to the Trust Territory fleet within a few weeks.

As for economic development, a big step was made a year ago with the opening of the Van Camp Seafood Co. fisheries plant in Palau. Last year the company exported fish valued at \$291,000. Van Camp now has 12 boats, and is planning an immediate quarter-of-a-million dollar expansion of their Palau plant to increase capacity from 1,500 tons to 2,000 tons. The same company has requested a lease with tentative plans of opening a fisheries in Truk. Preliminary investigations have also been made by other companies interested in fisheries operations in the area.

A good example of how economic development multiplies opportunities once it gets started in a fertile community, is found in Palau. Not only are local fishermen on the Van Camp payroll, but a group of enterprising Palauans, with the Van Camp Co. providing a market for their catch, have

started their own fisheries company and operate a fleet of seven fishing vessels.

We have recently signed a 2-year contract with a leading economic development consulting firm, which will prepare an inventory of assets, liabilities, and opportunities in Micronesia to be used in creating a long-range integrated development program. At the same time, the firm will help in arranging for the development of immediate action projects. Whether or not the Micronesian economy can be developed to a self-supporting level is a question that has been debated at length over the years and one that may well be answered by the work of this consulting firm.

We are attempting to provide Micronesia with "economic boots" through Government-sponsored pilot economic development projects and loans to local companies through the Economic Development Loan Fund. But let us not make the mistake of assuming that Micronesia can pull itself up by its own economic bootstraps. No developing country in the world has been able to do so and thus we must also carefully weigh the advantages of controlled outside capital investment for there are many benefits to the local economy from such investment and from joint commercial enterprises between local and outside interests.

This finishes my summary of progress in our major programs, but strides that are equally important have taken place in many other activities. Credit unions and producer cooperatives have grown at a rapid pace. In the last 4 years we have started adult education programs in every district. There has been a tremendous increase in the number of Micronesians taking refresher courses or receiving training in skilled trades in many parts of the world. Experimental projects have been conducted in many new crops, including rice in Ponape, ramie fiber in Palau, coir fiber in Truk, the production of cacao in Ponape, Truk, Palau and Yap, and pepper in Ponape. Last year a beef cattle project was started in the Marianas District, with 55 Santa Gertrudis heifers imported from the United States to form the foundation breeding herd. In Saipan, a local farmer has recently leased 1,380 acres of land for a cattle-growing enterprise. The beginning of a modest tourist trade is evident in two or three districts. More and more girls are entering school and assuming places of leadership in their communities. The employment rate is rising. People are beginning to build good solid homes for themselves and they are opening up grocery stores, filling stations, motels, hotels, restaurants, and other business enterprises. Four years ago only two districts had banking facilities; today there are banks in every district but Yap and I am hopeful a bank can be established there in the near future. In 1961 there were radio broadcasting stations in two districts; now there is one in each of the six.

These activities are sure signs of prosperity and a growing economy. Yet there is a tremendous job that remains to be done. Many of the problems we face might be described as being typical of any growing but underdeveloped economy. In many cases, present resources are inadequate to meet the needs of the moment. But in other areas, our problems are peculiar to islands like these in Micronesia separated as they are by vast stretches of ocean. One of our most challenging problems and one that will require a bold and imaginative approach lies in improving living conditions, in supplying adequate medical services and educational opportunities for people in the more remote and thinly populated islands of the Territory.

Then, again, in the whole area of housing, we have hardly made a start. In the past our communities were built on the old "base" idea, with modern housing and utilities for administration activities and personnel. Now we must begin to expand powerplants and

sewerage systems and water facilities. The time has come for town and community planning, and the building of modern, low-cost homes that people can afford to buy. Our road system must be rehabilitated and extended.

These are but a few of our problems. Yet, if an economy is growing as ours is, problems can be minimized quickly. In the next few days I will be presenting to you legislative proposals within some of these problem areas for your consideration and action, many of which you are familiar with and probably have considered solutions. One of these which concerns the Congress itself is the need for better delineation of the functions and responsibilities of municipal and district government in relationship to the authority of the new Congress.

So far I have not mentioned the overall budget, which is the lifeblood of all these operations that I have been discussing. I would remind you at this time that one of your chief responsibilities will be the review of the budget program as it relates to the appropriation which we receive from the Congress of the United States and the development of a supplemental budget program for expenditure of local revenues.

With July 1, 1965, we began a new fiscal year, which will run until June 30, 1966. The Congress of the United States has passed our new appropriation in the amount of \$17,344,000, plus an estimated \$1,200,000 in reimbursements and local revenues for a total funding of \$19,544,000. In 1961, our total appropriation was less than \$6 million.

In conclusion, I am sure you are aware that we have reached a point from which there is no turning back. We must go forward with what we have and strive to do our best. Just about a month ago, Ambassador Frank Corner, the distinguished representative of New Zealand in the Trusteeship Council of the United Nations, said:

"One of the great watersheds is the establishment of a national legislature, freely elected and armed with at least a minimum of powers."

He noted that once this step is taken—once this watershed has begun its plunge into the future—it is decisive and irreversible. He was speaking specifically of the Congress of Micronesia. He spoke in a friendly, optimistic way. The free world itself is optimistic about the Congress of Micronesia, and the free world expects much of it.

It is now time to begin work, and I again pledge the wholehearted cooperation of the administering authority and the administration with the efforts which you initiate. Perhaps it is not inappropriate to reflect at this point on the words of the late President Kennedy when he said in his inaugural address, "Ask not what your country can do for you but rather ask what you can do for your country." I wish you the best possible success and godspeed.

Fe An Church
EDWARD P. MORGAN ON VIETNAM

Mr. CHURCH. Mr. President, Edward P. Morgan, of the American Broadcasting Co., has been on a trip to Vietnam and other Asian countries, and has made some extremely thoughtful broadcasts during his travels. Mr. Morgan has provided much convincing evidence that meeting the threat of the Vietcong in South Vietnam will require much more than military effort, but extensive political, economic, and social effort as well, especially on the part of the Saigon government.

I ask unanimous consent to have the text of Mr. Morgan's broadcast of July 26 printed in the Record.

There being no objection, the text of

the broadcast was ordered to be printed in the Record, as follows:

HONG KONG.—The escalation of the American war effort in Vietnam, controlled and gradual as it has been, is reaching the point of no return, and the jagged conditions of combat beyond that point may tear all our other efforts to make this a stable, prospering land, into shreds. This is the terrible dilemma we face. It swings more sharply into focus somehow, from the near-distance of Hong Kong, than from headquarters in Saigon.

Unless we increase our military commitments, the war will be lost. At this juncture it is not a question of total victory, an utterly meaningless phrase, but of preventing the losses from getting worse. The South Vietnamese forces are simply not strong enough now—they do not have the trained manpower reserves to repulse the increasingly bold lunges of the Communist Vietcong on their own. The tragic and almost inevitable prospect is, that as we increase our material assistance in men, money, and machines, we compound the problem.

Over an excellent meal, with Vietnamese sole, Japanese salmon, and white Italian wine from Orvieto in a French restaurant in Saigon the other day, one shrewd observer put it this way: "South Vietnam is like a boat sailing down the Mekong River and being fired on from both banks. If 12 guns are fired from the right bank, the vessel takes on 12 guns to neutralize them. If 12 now open up from the left bank, another dozen cannons are hoisted aboard to match them. Before ever reaching the mouth of the river, the boat is sinking. South Vietnam is sinking under too much American advice, manpower, even equipment and other aid, because there are not adequate knowing hands to administer them properly."

Two other items bear in on the point of the problem like a burning glass. Even at the lowest level of assistance, two people who don't speak the same language, but are engaged in the exchange of aid, need an interpreter to get any real understanding and effect from, say, a new process to raise pigs or poultry. When help is pouring in like a flood from the American cornucopia, involving everything from military advice to chicken feed and chewing gum, the need for understanding soars stratospherically. But the supply of competent interpreters is long since exhausted.

There is not adequate communication between U.S. officials and their Vietnamese counterparts. True, more interpreters are being trained, but the need is now. American personnel are being escalated far faster than language experts.

And there is the matter of the truck drivers. In the beginning, when the U.S. mission was a handful of people, as American handfuls go, there were enough Vietnamese drivers to go around. If one of them hit a child or a bicycle, it was a local affair. Now, as the mechanical mastodons and litter transport are unloaded and roar away from the dock, not native, but American drivers are at the wheel and every accident becomes an international incident, if not in court, at least in the anguished mind of the Vietnamese victim.

There is still another point, intangible but penetrating. It is a mood—a frame of mind. United States-South Vietnamese relationships have been singularly devoid of such deprecating American epithets as "kooks" or "slopehead." This partly because the Americans, with some exceptions, have been dedicated experts, trained and sophisticated in special roles. It is also partly due, one suspects, to the difficulty of making degrading wisecracks about a race whose dainty women are among the most devastatingly beautiful in the world. But now, with a vast influx of manpower, that happy situation is bound to change, because the sensitive ex-

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part will be drowned in a wave of average guy. These things always happen in war-time, but they make mountains, not mole-hills, in Vietnam, because it is not a proper war.

The Vietcong have recently become more savage in their treatment of the peasants, as if they have decided to substitute terror for persuasion in an effort to win the minds and hearts of the Vietnamese, as the saying goes. But their basic strategy, knowledgeable experts insist, though not unanimously, is not to conquer the country by brute and terrifying force, but to destroy the National Army Reserves, which they have almost done, and then force Saigon to a political settlement on Communist terms.

One highly controversial counter to such a move would be to abandon territory in the southern Mekong Delta and elsewhere, for instance, which the guerrillas now almost totally control anyway, and concentrate then on some rural area and such urban concentrations as Saigon, as a basis for a viable society which could then gradually reach out, and slowly stabilize the rest of the country. We are still fighting the war on Vietcong terms, not on our terms.

Not a single person I talked to in 2 weeks assignment in Vietnam, wanted the Americans to pack up and go home. A central concern is whether the little seeds of social justice we have planted won't be trampled under a massive buildup for a massive clash in classic warfare.

All is not lost. But if Washington is not aware of the fragile subtleties of the situation, it soon could be lost. The American strategy, a competent official observed, is to regard warfare as an engineering problem. If you need more resources, you pour in more resources. World War I and World War II and in a partial sense, he said, Korea, were won and ended that way. But that is not the case here. It isn't working and won't work in the strict sense in Vietnam.

Let the military spin their wheels and hurt the Communists where they can, he said, north and south, but let's get on also with the job of training these people to fight their social revolution so they'll have something worth fighting for.

This is Edward F. Morgan saying good night from Hong Kong.

PROPOSED SALE OF TIMBER IN ALASKA

Mr. BARTLETT. Mr. President, the regional forester of the Alaska region of the Forest Service has announced a proposal to sell 8,750 million board-feet of timber from the Tongass National Forest in a 50-year timber sale. The proposed sale will include timber stands on portions of the Alaska mainland south of Juneau, the west side of Admiralty Island, and two areas north of Juneau, in the vicinity of Yakutat.

The purpose behind this large timber offering is to obtain an additional wood-using industry in Alaska. If achieved, the timber sale and its related manufacturing facilities will make it possible to place a large additional area of the Tongass National Forest under intensive multiple-use management. The timber sale contract will require that there be installed, in the vicinity of the sale, a pulpmill or wood-using complex including pulp manufacture that is capable of using the predominantly pulp grade of timber found in Alaska.

The timber will be sold to the highest qualified bidder under a contract that contains specific provisions for protect-

ing the wildlife, recreation, and water resources within the operating area. Specific contract clauses will provide for the prevention and control of erosion on the logged areas, and prevention of sedimentation and pollution of streams and lakes. Other clauses will provide for special care in logging and road building near feeding areas used by waterfowl or brown bear; the protection of aesthetic values in areas of prime scenic beauty; the prevention and control of forest fires, and the protection of salmon streams.

Although it is proposed that the contract will contain requirements for installing a pulpmill, some 35 percent or more of the timber may be used more effectively for conversion to lumber and plywood and the purchaser may elect to install facilities for this purpose.

Minimum acceptable stumpage rates will be determined by an appraisal which will consider timber quality, cost of logging operations, and value expected to be received. Through competitive bidding, prospective purchasers may raise this appraised stumpage price. Periodically, stumpage rates will be re-determined to reflect changing costs and values.

The timber harvesting program on the National Forests of Alaska is based upon a careful inventory of the forest resource and its capacity to produce future wood supplies. All harvesting schedules are calculated to provide cutting rates that can be sustained indefinitely.

Detailed annual plans will specify timber to be removed, areas to be left uncut for enhancement of other resources, methods to be employed in timber removal for protection of soil and water values, and other provisions necessary for the day-to-day logging operation.

WENT IS THIS INDUSTRIAL DEVELOPMENT FISHED IN ALASKA?

Alaska is a new State. It has an abundance of natural resources. However, it will not reach a level of prosperity and well-being in line with its capabilities until its resources are managed for optimum production and directed into orderly channels of use. The fisheries industry, long an important mainstay to the State's economy, is now at a fairly constant level of production. The mining industry has shown little recent growth except in oil production. However, the past several years have seen recreation use burgeon in Alaska and the recreation industry promises to be an effective seasonal bolster to the State's economy.

The timber industry has shown growth and stability during the past decade. In 1964, large-scale timber processing came into being with construction of the Ketchikan Pulp Co. mill. This was soon followed by the Alaska Lumber & Pulp Co. plant at Sitka. Alaska's timber products, when developed on a large-scale basis, are competitive with Pacific Northwest timber in the eastern States and Pacific rim markets. Timber is a renewable resource which provides constant year-round employment. Timber industries are stable industries and they build

Alaska needs capital investments in stable, long-term industries that use and convert its natural resources into marketable products. This timber sale offering is a proposal to interest new capital in Alaska. It is soundly based upon sustained-yield production of a natural resource. It recognizes the important companion resources that are associated with timber in the forests of coastal Alaska and provides for protecting them. Ultimately, it will enhance their usability by lending support to multiple-use transportation systems.

CONTROVERSIAL ASPECTS OF THE PROPOSAL

There are some who question the desirability of developing and using the timber resources of Alaska. They are genuinely sincere people who strongly appreciate untrammeled wilderness and the wildlife that is associated with it. They feel that the remaining undeveloped areas of the country should be preserved for the use of people who share their feelings. They are appalled by the size and complexity of logging operations and the harsh influences these operations exert upon an otherwise stable forest situation. They are not familiar with the regeneration requirements of trees and believe that even the most soundly conceived logging operation that removes mature stands of trees is "devastation" and "rape" and they refer to it in that manner. They do not believe that the multiple-use principle is practical or desirable except as it provides situations of natural beauty and solitude.

These viewpoints represent a type of thinking that is not uncommon. However, the wide expanse in Alaska provide opportunities for other uses as well as beauty and solitude and, if this new State is to grow and prosper, opportunities must be used to harness its resources. The alternative to untouched wilderness is not devastation and ruin. Coordinated use of forest resources, including harvesting of timber, can be seen on millions of acres of national forest land in the United States.

Some may ask if there is a need to harvest and process this timber, much of which will be exported to the Pacific rim countries. Timber growth in the contiguous States now exceeds national requirements. Why should we be concerned with supplying foreign markets? Alaska's entry into the union of States places responsibility on it to develop its resources and people and become self-supporting. Granting statehood to Alaska placed it on an equal status with all other States. This means that Alaskans must participate in the business activities that have been the life blood of the commerce of other States. This means converting the resources of Alaska into useful goods that can be marketed at a profit in other States and countries. In the United States there are few hindrances to business with other States and with foreign nationals and this same freedom to engage in commerce and to build and grow should be enjoyed by Alaskans.

Many fear that widespread logging will destroy spawning potentials of streams and will have an adverse ef-

Under this agreement the United States is lending \$35 million toward the initial financing of the Central American Fund for Economic Integration, which will be supported by an initial contribution of \$7 million from the five Central American Republics. The Fund's total resources of \$42 million, which will be administered by the Central American Bank for Economic Integration, will be used to finance regional projects in the public sector to benefit—without regard to national boundaries—all the people in the five Republics.

In this way the regional territory will be served by new roads crossing national boundaries and classified as "Central American roads"; countries with surplus power will share this resource with less fortunate neighbors; industrial parks will be built to promote industrial development in the Central American Common Market area; and the Fund's resources will also enable the member countries to finance other mutually beneficial projects.

Largely through the efforts of the Central American Common Market, old trade barriers have been leveled, and trade has increased dramatically among its members.

In 1958 such intraregional trade amounted to only \$20 million; in 1964 it had grown to over \$105 million.

As a result of this outstanding record of increased trade, an active and competitive business sector has developed. The gross national product of the countries involved is rising at an average rate of close to 7 percent per year.

This loan should give substantial additional impetus to the growth and well-being of these small Central American countries, who, through economic unity, are achieving economic and social progress which individually they would find impossible.

I commend President Johnson's thoughtful comments at the signing of this historic document to our colleagues' attention, and ask unanimous consent that they be printed in the Record at this point in my remarks.

There being no objection, the comments were ordered to be printed in the Record, as follows:

REMARKS OF THE PRESIDENT AT THE SIGNING OF THE \$35 MILLION LOAN TO THE CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION

Distinguished guests, members of the diplomatic corps, Members of Congress, I regret that these days and nights I am usually an hour late and a dollar short, but it is good to finally be here with you, and this House is honored today by the presence of such distinguished company. I am deeply privileged to extend to each of you a very warm welcome.

For all Americans of all the Americas today is a very proud occasion. I believe we realize the real meaning of this moment as much more than just signing the papers that are before us. In a real sense by what we have come to do we really honor the spirit—the new and the soaring spirit—that is stirring throughout the length of this young and this proud and this newly hopeful Western Hemisphere of ours, and no cynicism can corrode the promise that is beginning to gleam so brightly in the sun of this New World's new day. We have never had cause to really think before

as Americans, as peoples, as nations, sharing not just a common history or even a common geography, but sharing a common vision and possessing common aspirations.

That spirit was brought to life here in this room 4 years ago when a good many of you heard President Kennedy speak his hopes and speak the hopes of his countrymen, that the Americas could ally themselves together in peace to better the life of man in all of the Americas.

We see that spirit gaining substance and reality now, and in a good many lands. But nowhere do we see it more than in the lands of Central America—Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica. They have, in a series of acts of the highest statesmanship, embarked upon a process of integrating their economies, which is one of the really most exciting undertakings of our world today. Together these nations have created a common market. They have leveled their trade barriers. They have coordinated their efforts in higher education. They have done the same for their tax systems and their development planning. And they are all making an effort to cope with the problems created by the ancient enemies of all mankind—disease, poverty, and illiteracy.

And the results are already apparent and already gratifying. Trade among these nations has amounted to \$30 million in 1958, but reached \$105 million last year, and the gross national product is rising to close to 7 percent a year. In support of these historic advances a key role is today being filled by the Central American Bank for Economic Integration. It is represented here today by its able and dynamic president, Dr. Delgado.

This Bank is capitalized by equal contributions from the five Central American countries. But as the governments have pledged mutual support to each other, so the members of the Alliance have pledged support to them.

In March 1963, in Costa Rica, our late beloved President John Kennedy, pledged this country's support. And so today we have come here to fulfill that pledge by signing this loan agreement for \$35 million.

Yes, great progress has been made in Central America, but the future offers greater promise both there and throughout the hemisphere. The Central American Republics are providing all their neighbors and all the world what I would think is a very stirring example of what can be accomplished by freemen with vision, and with wisdom, and with courage. And we of the United States are very proud to be fortunate enough to work with them in this very hopeful enterprise. We are so grateful for your friendship, for your loyalty, for your cooperation in trying to solve the problems of this hemisphere and trying to be equal to the challenges of the 20th century. And we want you to know that, and we want your governments to know it.

And so this morning, to the distinguished representatives of Central America that may be present on this historic occasion, I would affirm again my country's deep respect and admiration and support for your efforts. And likewise, to the distinguished representatives of the Organization of American States, the CIAP, the Inter-American Development Bank, I would reaffirm the interest and the support of the United States of America for economic integration throughout this hemisphere.

In all the world there are no dreams so stirring or so exciting or so inspiring as those that we can dream realistically and reasonably now in our own hemisphere. The day is no longer so dim and distant as once it seemed to be when those dreams began to reach the lives of all our people, for we dawned and we are now working in its early

morning. Long before the twilight of this century has come, we may believe that men and women of the Americas will come to know a much better life, a life of peace, a life of social justice, a life of liberty, a life of independence, a life where reason rules and where tyranny is vanquished.

And it is toward this happy hour that we work together now with a steady purpose and with a rising confidence and with a deep appreciation of what friendship and understanding really means.

VIETNAM

Mr. McGEE. Mr. President, yesterday I spoke in this Chamber on the importance of Vietnam in the light of 20 years of cold war maneuvering, saying that clandestine aggression of the type on trial there remains today as the one big threat to world peace.

Today, Mr. President, Roscoe Drummond has come forth with a column which does much the same thing, stating imperatively that we must resist this new face of war in southeast Asia because of the lessons learned in the past—that to withdraw in the face of aggression against South Vietnam would mean only that we would have to prepare for the next aggression—and the next. Drummond sums up:

President Johnson is applying this lesson to save lives, to avert worse war, and to find the way to a safer peace.

That, Mr. President, sums it up well. I would like to have all those who question our Government's policies exposed to this reasoning because it is the answer to the question, "Why are we in Vietnam?" Mr. President, I ask unanimous consent that the Roscoe Drummond column, "President Stands Firm," from today's Washington Post be inserted in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

VIETNAM DEFENSE—PRESIDENT STANDS FIRM
(By Roscoe Drummond)

The actions President Johnson is taking to build up U.S. strength in the defense of South Vietnam are inescapable. They are wise actions because their goal is peace, not war.

The President had no hard decision to make this week. He had already made the hard decision more than 3 months ago. Everything we are now doing in Vietnam flows from it.

The really hard, soul-searching, somewhat-may decision was made by Mr. Johnson on the eve of his April 7 address at Johns Hopkins University in Baltimore. It was embodied and embedded in these three incandescent sentences:

"We will not be defeated. We will not grow tired. We will not withdraw"—until peace is assured.

No further decision of policy or will or commitment had to be made. All that remained was to determine the means to implement that decision: larger U.S. forces in Vietnam, larger draft calls, larger defense budgets, and—in the end—"whatever is necessary."

Mr. Johnson rightly says that three Presidents have given their word that the United States would help. But there is a difference. It is not putting it too bluntly to say the difference is this: The power decided to aid South Vietnam.

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President Kennedy decided to continue aiding South Vietnam.

President Johnson decided to succeed in aiding South Vietnam.

Because President Johnson is committed to defending South Vietnam successfully against the Communist use of force to take over the country, "whatever is necessary" to do it will be employed.

This is not a decision taken by the President alone. It is shared by Congress, which approved the President's course earlier, and will have to approve it again when more defense appropriations are sought.

Mr. Johnson well knows there are misgivings and doubts and puzzlement about why we are fighting in Vietnam. There couldn't possibly be a harder decision for a President to make than to send American soldiers into combat when the Nation itself has not been directly attacked.

When World War I and World War II came to the shores of the United States—through the German U-boats and at Pearl Harbor—no painful decision of whether or not to resist had to be made. It was automatic and self-evident.

Now the President is asking the American people to ponder carefully the lessons of Munich and of Korea. The world invited Hitler's terrible aggression by trying to buy him off through appeasement. It didn't work. It led to more aggression.

Before the Communist attack on South Korea, we had withdrawn most of our forces and left the door open to another aggression. It came and, too late to avert it, President Truman bravely decided it had to be resisted.

Today the United States is helping defend South Vietnam because we are applying the grimmest, the most costly, and the most crucial lesson of war to date. It is that, if aggression is not resisted—and resisted successfully—when it begins, it will grow and spread and the end result of failing to resist will be worse aggression, worse war, under worse conditions.

To withdraw in the face of the aggression against South Vietnam would mean only that we would have to prepare for the next aggression—and the next.

This is the lesson of Munich. This is the lesson of World War II. This is the lesson of Korea.

President Johnson is applying this lesson to save lives, to avert worse war, and to find the way to a safer peace.

Mr. McGEE. Mr. President, it has been some time—more than 3 months, in fact—since President Johnson said at Johns Hopkins that the United States did not desire fighting a war in Vietnam; that it desired a peaceful settlement, but that it would not be defeated and would not withdraw in the face of aggression from the North.

In announcing his decisions taken to firm up our position in Vietnam on Tuesday, the President only reaffirmed, in my belief, what has been this Government's policy all along. The numbers of troops he has called for is not great, not in the context of guerrilla warfare. Our aim is still to get the Communists to the conference table.

Mr. President, there have been many in this Nation, including important thought leaders, who have been distressed through the early months of this year by the increasing tempo of the fighting in Vietnam and who have been groping for another way out. Not the least among these has been Mr. Walter Lippmann, who has today produced a column titled in the Washington Post, "Realism and Prudence." I think it is a

significant column, because Mr. Lippmann agrees the President's actions are realistic and, in the face of continued pressure from Hanoi and the Vietcong, prudent as well. I ask unanimous consent that Mr. Lippmann's column from today's Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REALISM AND PRUDENCE
(By Walter Lippmann)

The decisions taken by the President as the result of the review of the situation in Vietnam are, it seems to me, realistic, and as a result, the American position is strengthened and improved. The crucial issue which he had to resolve was what this country should do in view of the fact that the South Vietnamese Government has lost to the Vietcong the control of virtually all the highways and most of the villages and territory of South Vietnam. Should the United States volunteer to fight the war which Saigon has so very nearly lost, substituting American troops for the Vietnamese troops, taking military command of all the fighting forces and of the government in Saigon? Or should the United States defend its presence in South Vietnam for the purpose of negotiating a political settlement?

The difference between these two strategies is all the difference between, on the one hand, an unlimited and illimitable war that could escalate into total war, and, on the other hand, a limited war, as the President calls it a measured war, which is clearly within American military power, demands no exorbitant sacrifice, and keeps the struggle within the possibility of diplomatic negotiations. The President on Wednesday announced, if I understand him correctly, his choice between these two strategies. Although he repeated the grand formulae of a great war, in fact his decision as of now is to fight a limited war. The size of the call-up is in accord with this decision: the additional troops are sufficient, or can be made sufficient, for a limited and defensive strategy. They would be absurdly inadequate if our objectives were the reconquest of South Vietnam. Instead of 125,000 men, the troops needed would, according to the usual formula of 10 to 1 for guerrilla war, mean more nearly a million.

There is additional evidence from the official disclosures on Wednesday that the President has decided against a serious escalation of the war in North Vietnam. He has been under pressure to send the bombers into the heart of North Vietnam, into the area of Hanoi and Haiphong, where are the industries and the population centers of the country. While it is never wise for a commander to say what he will not do, there is considerable evidence that the administration has decided not to bomb the population centers, and to avoid putting Hanoi in the position where, having nothing to lose in the North, it uses its formidable army to invade South Vietnam.

Moreover, high U.S. Government officials have let it be known that we do not intend to comb the countryside to eliminate the Vietcong from the villages, but rather to confine ourselves to conventional military action.

Along with the decision to keep the war limited, the President has launched a strong diplomatic campaign for a negotiated peace. He has in the past, proposed, or hinted at, most, perhaps all, of the elements of his campaign. But the combination he described on Wednesday is new and impressive. In calling upon the United Nations and on all member governments, severally or jointly, to bring the fighting to an end, he has, for the first time I think, given the mediators something concrete to talk about with Hanoi.

The President has agreed that the principles of the 1954 agreements, which are the

declared war aims of Hanoi, are an acceptable basis of negotiation, and that we are prepared in South Vietnam, or in all Vietnam, to accept elections supervised by the U.N. This is contrary to the position taken by Secretary Dulles 10 years ago, and the President's willingness to return to the purpose of the 1954 agreements opens the door wide in principle to a negotiated settlement.

Probably Hanoi will still refuse to negotiate. For the Vietcong and Hanoi are within sight of a military victory, not over the United States but over the Saigon government, and it is by no means certain that General Westmoreland with his reinforcements can prevent that. But even if he cannot prevent it, the strategy adopted by the President will leave the United States Army invincible in Vietnam, with the United States exercising an influence which cannot be ignored in the eventual settlement.

NOMINATION OF JOHN W. GARDNER
TO BE SECRETARY OF DEPARTMENT
OF HEALTH, EDUCATION,
AND WELFARE

Mr. CASE. Mr. President, the Senate will soon consider the nomination of John W. Gardner, president of the Carnegie Corp., to serve as Secretary of Health, Education, and Welfare. I applaud the President's selection of this distinguished educator and farsighted executive for such a key position.

Here in Washington we have noted the quality of Mr. Gardner's work as an informal adviser to Presidents Eisenhower, Kennedy, and Johnson. More recently, his stimulating efforts as chairman of the White House Conference on Education attracted wide attention.

It is my great hope that Mr. Gardner will contribute his considerable skills not only to the development of significant new substantive programs, but also to a searching critical evaluation of the structure of his rapidly growing Department. This multifaceted Department has tremendous impact on our society today. It demands the very best in imaginative organization and perceptive management.

INDIANA HAS ATTRACTIONS FOR
TOURISTS

Mr. HARTKE. Mr. President, recently a comprehensive study was completed by Indiana University under a contract from the Area Redevelopment Administration. The large volume which resulted showed in detail, county by county, the excellent untapped resources of the State of Indiana, particularly in its southern part but in the rest of the State as well, for tourist attractions. There are historical, scenic, and recreational possibilities which bid fair to give the State, if fully developed, an excellent opportunity to draw visitors from the rest of the Nation.

Since the report was issued, I have joined with others interested in promoting a series of regional meetings within the State to consider how best we may implement the recommendations of the study. Now there has appeared a new booklet which takes the attractions the State can presently offer, presenting them in text and photograph as a new "tourist guide." This volume, published

July 30, 1965

by the Indiana Tourist Association, was recently reviewed in the Indianapolis News. I ask unanimous consent that this article, by Antoni E. Gollan, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW INDIANA EMERGES—HOOSIER TOURIST GUIDE BOOK SPOTLIGHTS STATE ATTRACTIONS
(By Antoni E. Gollan)

Indiana is beginning to make a serious bid for the tourist trade.

Most recent evidence of this effort is the "1965 Indiana Tourist Guide," published by the Indiana Tourist Association, Inc. (Michigan City, Ind.). Complete with attractive color photography and directions for travelers, the booklet features descriptions of the State's many beautiful parks and recreation centers.

Even native Hoosiers may find the information useful, and may be reminded of the attractions of such areas as the Indiana Dunes region, which in the photographs looks for all the world like a seaside resort, and Brown County, which, with its picturesque town of Nashville, is a pleasant throwback to simpler days when the general store provided life's necessities and luxuries.

Hoosiers may also discover some surprising things about their State. For one thing, the booklet reveals that, for years, Indiana citizens have bought more Rolls-Royces and Bentleys than any other market in the United States. That may not stop New York or California in their tracks, but Hoosiers may consider the matter with wry amusement.

Moreover, Indiana now ranks among the top 10 States in industrial and agricultural production.

Since December of last year, in fact, Indiana has won position as the Nation's largest producer of steel, now ranking ahead of former leaders Pennsylvania and Ohio. The State also leads the Nation in production of biological drug products, musical instruments, phonograph records, and prefabricated homes.

Indianapolis itself boasts four of the country's largest manufacturing firms—Eli Lilly & Co., Stokely-Van Camp, Inland Container Corp., and P. R. Mallory Co.

And in the area of education, Indiana has more than 100,000 students enrolled in its colleges and universities, capped by Indiana University with a huge enrollment of 28,975. The State is pioneering new advances in aerospace research—and is holding its breath waiting to discover whether it will become the home of the largest nuclear reactor in the world.

Though the fertile Indiana farm soil still accounts for 40 percent of the State economy, the introductory theme of the tourist association's booklet makes it clear a new Indiana is emerging—one which is taking its place among the industrial and educational leaders of the Nation.

But the booklet's emphasis, of course, is on the Hoosier State's outdoor recreational facilities.

"Incorporated within Indiana's borders," the tourist association observes, "are surprisingly different wonders. Here, in this single State, you will find both the delicate beauty of cool, blue glacier-born lakes like those of Michigan to the north, and the rugged character of deep, water-hewn caves and rock-faced cliffs like those familiar to visitors to Kentucky on the south."

There are a full 21 developed and equipped State parks in Indiana, located in all sections of the State, and they hold a great variety of beauty to explore. The facilities and attractions of each area are outlined, as are the most convenient ways of getting there.

All in all, the Indiana Tourist Association has produced a fine helpmate to the visiting tourist and to the native Hoosier wishing to get better acquainted with his State. The booklet is well worth obtaining.

ECONOMIC POLICY—BALANCE OF PAYMENTS

Mr. HARTKE. Mr. President, on July 4, the day on which the Dillon Committee on International Monetary Reform was created, President Johnson named our Ambassador to Switzerland, Hon. True Davis, to be the new Assistant Secretary of the Treasury. While in Switzerland, Ambassador Davis brought a rare combination of diplomatic expertise and economic wisdom to the task of representing the United States in one of the world's great financial centers. I strongly applaud his appointment as Assistant Secretary of the Treasury at a time when international financial issues have become critically important.

In two speeches delivered 4 months and more than 4,000 miles apart, Ambassador Davis gave proof positive of his insight into the difficult and delicate area of international economic relations. Speaking in Lausanne, Switzerland, on February 24 of this year, Ambassador Davis summarized the then balance-of-payments posture of the United States—before the President's voluntary program of restraint had taken effect:

In the common type of case, the balance-of-payments deficit results from structural weaknesses in the economy of the country. This is another way of saying that the country is living beyond its means. This is not so in the case of the United States. Ever since the end of World War II we have had a surplus in balance of goods and services, and in the last 2 years this surplus has risen at a rapid rate. This shows that the U.S. economy is basically healthy and competitive.

He went on to point out:

The private sector of the U.S. balance-of-payments has traditionally recorded a surplus, even including the deficitary capital account. If it were not for the dollars sent abroad for military expenditures and foreign aid, the United States would not have a balance-of-payments deficit.

On June 24, speaking in Chicago, Ambassador Davis commented on the European impact of the President's emergency balance-of-payments program:

The supply of dollars throughout Europe has become much scarcer. The effect of this in Switzerland can be seen in the rise of the dollar in the Swiss foreign exchange markets. In March, the rate approached 4.35 Swiss francs to the dollar, forcing the Swiss National Bank, for the first time in 3 years, to sell dollars on the market in order to keep the dollar rate within the limits fixed by the bank's policy. The dollar has remained close to this maximum rate ever since.

Now that Secretary Fowler and the entire Johnson administration has taken the lead in calling for international monetary reform, now that our success in ending the balance-of-payments deficit is threatening to produce even greater problems in the form of an international liquidity crisis, now that American leadership in the continuing struggle to defend world prosperity is so urgently needed—I congratulate the President

upon his wise nomination of True Davis as Assistant Secretary of the Treasury.

I ask unanimous consent, Mr. President, that the two addresses from which I have quoted may appear at this point in the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

SOME REFLECTIONS ON CURRENT U.S. ECONOMIC POLICY

(An address before the Swiss-American Society for Cultural Relations, Lausanne, and the Société d'Etudes Economiques et Sociales at Lausanne on Feb. 26, 1965, by Ambassador True Davis)

Your invitation to speak to you in Lausanne tonight was triply pleasing to me. First, because it gives me an opportunity to visit your beautiful city again and to get together again with some of the distinguished people I have had the pleasure of meeting here; second, because it gives me an opportunity to present the views of the United States on some international economic questions which have recently been very much in the public eye, and, third, because now that the mayor of your fine city, Mr. Chevallaz, has become an honorary citizen of Kansas City, in my own home State of Missouri, it is a little like coming home to have a reunion with a fellow citizen.

In my remarks to you tonight I shall try to emphasize those aspects of American economic policy which affect not only the United States, but also our trading partners and the leading international financial centers, of which Switzerland is a very important one. In view of the great degree of economic interdependence in the world of today, a subject of obvious interest to many countries is the state of the American economy. Europeans, and others, have good reasons for wanting to know whether the American economy is continuing its expansion or whether expansion will always be followed by a recession every 3 or 4 years. They are also interested in the relationship between the American domestic economy and the balance-of-payments deficit, and the relationship between the balance-of-payments deficit and America's international obligations. This leads naturally to the question of whether the economic problems of the United States detract from its willingness or ability to carry out its international responsibilities. Our friends abroad also have a legitimate interest in how well the dollar is performing its important role in the international payments system. I hope that my following remarks will help to clarify the views of the United States on these matters.

Under the administration of President Johnson the U.S. Government has undertaken a number of important new domestic economic programs. The national economy has been given an important stimulus by the tax cut. New and improved training programs are helping to combat the problem of unemployment. A bold new program has been instituted to help those people who for one reason or another have not been caught up in the mainstream of economic progress. The first bill placed before the new Congress would vastly extend the medical care available to the aged. The amount of public attention directed to these new domestic programs, together with a tactical flexibility shown by the United States in certain recent international negotiations, has led some foreign observers to jump to the conclusion that the United States is withdrawing in its shell—that it is becoming so concerned with its domestic affairs that it is losing its interest in its international responsibilities.

I hope to be able to demonstrate to you tonight that this is not so. I hope to be able to convince you—or in case there are no